

JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011



**JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011**

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Independent Auditor's Report

To the Board of Directors
Jewish Family Service of San Diego
San Diego, California

We have audited the accompanying consolidated statements of financial position of Jewish Family Service of San Diego as of June 30, 2012 and 2011, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended. These consolidated financial statements are the responsibility of Jewish Family Service of San Diego's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Jewish Family Service of San Diego as of June 30, 2012 and 2011, and the consolidated changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Leaf & Cole LLP

San Diego, California
November 13, 2012

JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2012 AND 2011

ASSETS

	<u>2012</u>	<u>2011</u>
<u>Current Assets:</u> (Notes 1, 3, 4 and 11)		
Cash and cash equivalents	\$ 2,423,900	\$ 2,243,983
Accounts receivable, net	760,834	725,304
Grants and contracts receivable	1,025,717	1,171,251
HFLA loans receivable, net	59,539	38,865
Other loans receivable, net	15,022	5,255
Prepaid expenses and other assets	123,185	64,739
Unconditional promises to give, net	1,157,658	1,223,977
Total Current Assets	<u>5,565,855</u>	<u>5,473,374</u>
 <u>Noncurrent Assets:</u> (Notes 1, 2, 4, 5, 6, 7, 8 and 11)		
Other loans receivable	53,884	-
Unconditional promises to give, net	341,150	113,250
Investments	16,716,951	14,615,498
Deposits	135,555	66,810
Land, buildings and equipment, net	7,062,023	7,329,352
Beneficial interests in endowment funds	872,691	944,685
Total Noncurrent Assets	<u>25,182,254</u>	<u>23,069,595</u>
 TOTAL ASSETS	 <u>\$ 30,748,109</u>	 <u>\$ 28,542,969</u>

The accompanying notes are an integral part of the consolidated financial statements.

JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2012 AND 2011

LIABILITIES AND NET ASSETS

	<u>2012</u>	<u>2011</u>
<u>Current Liabilities:</u> (Note 1)		
Accounts payable	\$ 429,044	\$ 383,504
Accrued expenses	2,094,533	2,007,642
Taxes payable	-	21,796
Unearned revenue	394,817	485,245
Total Current Liabilities	<u>2,918,394</u>	<u>2,898,187</u>
 <u>Noncurrent Liabilities:</u> (Note 8)		
Deferred compensation	306,517	871,292
Total Noncurrent Liabilities	<u>306,517</u>	<u>871,292</u>
Total Liabilities	<u>3,224,911</u>	<u>3,769,479</u>
 <u>Commitments</u> (Note 12)		
 <u>Net Assets:</u> (Notes 1, 9 and 10)		
Unrestricted	17,304,372	16,761,678
Temporarily restricted	7,920,713	6,052,127
Permanently restricted	2,298,113	1,959,685
Total Net Assets	<u>27,523,198</u>	<u>24,773,490</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 30,748,109</u>	 <u>\$ 28,542,969</u>

The accompanying notes are an integral part of the consolidated financial statements.

**JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<u>Unrestricted Net Assets:</u>		
<u>Support and Revenues:</u>		
Grants and contracts	\$ 9,045,211	\$ 9,246,073
Contributions	3,171,978	3,500,945
Charitable auto resources fees	5,379,736	5,354,663
Program revenue	1,014,287	860,685
Fees and other revenue	165,861	197,906
Gain/(loss) on sale of land, buildings and equipment	(22,760)	3,675
Investment income	(182,482)	1,220,633
Net assets released from restrictions	1,186,323	786,422
Total Support and Revenues	<u>19,758,154</u>	<u>21,171,002</u>
 <u>Expenses:</u>		
<u>Program Services:</u>		
Jewish Family Service of San Diego	14,142,762	13,703,210
Charitable Auto Resources, Inc.	1,947,501	2,181,555
Charitable Adult Rides & Services, Inc.	260,549	-
Total Program Services	<u>16,350,812</u>	<u>15,884,765</u>
 <u>Supporting Services:</u>		
General and administrative	773,960	1,137,429
Fundraising	1,223,931	970,208
Total Supporting Services	<u>1,997,891</u>	<u>2,107,637</u>
Total Expenses	<u>18,348,703</u>	<u>17,992,402</u>
Change in Unrestricted Net Assets Before Income Taxes	1,409,451	3,178,600
Provision for Income Taxes	<u>866,757</u>	<u>1,086,694</u>
Change in Unrestricted Net Assets	<u>542,694</u>	<u>2,091,906</u>

(Continued)

The accompanying notes are an integral part of the consolidated financial statements.

**JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED STATEMENTS OF ACTIVITIES (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<u>Temporarily Restricted Net Assets:</u>		
Contributions	\$ 3,101,745	\$ 406,101
Investment income (loss)	(71,535)	565,829
Net assets released from restrictions	(1,161,624)	(737,477)
Change in Temporarily Restricted Assets	<u>1,868,586</u>	<u>234,453</u>
<u>Permanently Restricted Net Assets:</u>		
Contributions	410,422	-
Investment income (loss)	(47,295)	174,279
Distributions	(24,699)	(48,945)
Change in Permanently Restricted Net Assets	<u>338,428</u>	<u>125,334</u>
Change in Net Assets	2,749,708	2,451,693
Net Assets at Beginning of Year	<u>24,773,490</u>	<u>22,321,797</u>
NET ASSETS AT END OF YEAR	<u>\$ 27,523,198</u>	<u>\$ 24,773,490</u>

The accompanying notes are an integral part of the consolidated financial statements.

**JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012**

	Supporting Services				Total Supporting Services	Total JFS and CARs nonprofit	Charitable Auto Resources, Inc.	Eliminations	Total Expenses
	Program Services	General and Administrative	Fundraising						
<u>Salaries and Related Expenses:</u>									
Salaries and wages	\$ 7,819,029	\$ 375,538	648,758	\$ 1,024,296	\$ 8,843,325	\$ 879,819	\$ -	\$ 9,723,144	
Payroll taxes	657,964	42,001	48,113	90,114	748,078	73,307	-	821,385	
Employee benefits	1,215,619	50,312	71,379	121,691	1,337,310	111,308	-	1,448,618	
Total Salaries and Related Expenses	<u>9,692,612</u>	<u>467,851</u>	<u>768,250</u>	<u>1,236,101</u>	<u>10,928,713</u>	<u>1,064,434</u>	<u>-</u>	<u>11,993,147</u>	
<u>Nonsalary Related Expenses:</u>									
Advertising and promotion	80,187	17	38,911	38,928	119,115	252,175	(41,000)	330,290	
Bad debts	2,681	(1,487)	47,004	45,517	48,198	(612)	-	47,586	
Bank fees and payroll processing	40,253	20,098	21,746	41,844	82,097	9,827	-	91,924	
Conferences and meetings	5,206	4,899	(8)	4,891	10,097	24,144	-	34,241	
Consultants	96,191	13,847	16,835	30,682	126,873	126,605	-	253,478	
Contributions	-	-	-	-	-	221,000	(221,000)	-	
Depreciation	316,159	17,535	31,591	49,126	365,285	8,804	-	374,089	
Emergency assistance	762,716	-	-	-	762,716	-	-	762,716	
Equipment rental and expense	165,561	7,030	8,455	15,485	181,046	23,802	-	204,848	
Fundraising	101	-	34,095	34,095	34,196	-	-	34,196	
Holocaust home care	204,058	-	-	-	204,058	-	-	204,058	
Insurance	93,007	18,709	1,745	20,454	113,461	36,351	-	149,812	
Interest expense	-	-	-	-	-	-	-	-	
Legal, accounting and audit	51,750	37,862	26,132	63,994	115,744	41,505	-	157,249	
Membership/subscriptions	14,509	14,806	154	14,960	29,469	-	-	29,469	
Miscellaneous	34,388	6,732	1,016	7,748	42,136	28,471	-	70,607	
Office and computer supplies	96,136	4,284	6,581	10,865	107,001	14,394	-	121,395	
Postage	27,858	2,736	12,061	14,797	42,655	27,717	-	70,372	
Printing	61,723	484	44,507	44,991	106,714	3,764	-	110,478	
Professional fees	202,351	146,046	81,624	227,670	430,021	213,965	(166,509)	477,477	

(Continued)

The accompanying notes are an integral part of the consolidated financial statements.

**JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

	Program Services	Supporting Services			Total Supporting Services	Total JFS and CARS nonprofit	Charitable Auto Resources, Inc.	Eliminations	Total Expenses
		General and Administrative	Fundraising						
<u>Nonsalary Related Expenses: (Continued)</u>									
Program expenses	\$ 814,629	\$ -	\$ 343	\$ 343	\$ 814,972	\$ -	\$ -	\$ 814,972	
Property and other taxes	3,489	(636)	815	179	3,668	-	-	3,668	
Rent	630,282	3,511	657	4,168	634,450	81,277	-	715,727	
Repairs and maintenance	105,180	3,737	6,134	9,871	115,051	5,833	-	120,884	
Staff development	35,709	7,046	638	7,684	43,393	13,959	-	57,352	
Subcontractor fees	108,040	-	-	-	108,040	-	-	108,040	
Telephone	124,811	6,949	4,610	11,559	136,370	52,702	-	189,072	
Transportation service	114,586	3,703	230	3,933	118,519	1,719	-	120,238	
Travel, entertainment and transportation	367,443	8,145	67,890	76,035	443,478	81,786	-	525,264	
Utilities	155,762	3,629	5,111	8,740	164,502	11,552	-	176,054	
Total Nonsalary Related Expenses	<u>4,714,766</u>	<u>329,682</u>	<u>458,877</u>	<u>788,559</u>	<u>5,503,325</u>	<u>1,280,740</u>	<u>(428,509)</u>	<u>6,355,556</u>	
Total Functional Expenses	14,407,378	797,533	1,227,127	2,024,660	16,432,038	2,345,174	(428,509)	18,348,703	
Less: Intercompany	<u>(4,067)</u>	<u>(23,573)</u>	<u>(3,196)</u>	<u>(26,769)</u>	<u>(30,836)</u>	<u>(397,673)</u>	<u>428,509</u>	<u>-</u>	
TOTAL EXPENSES	<u>\$ 14,403,311</u>	<u>\$ 773,960</u>	<u>\$ 1,223,931</u>	<u>\$ 1,997,891</u>	<u>\$ 16,401,202</u>	<u>\$ 1,947,501</u>	<u>\$ -</u>	<u>\$ 18,348,703</u>	

The accompanying notes are an integral part of the consolidated financial statements.

**JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011**

	Program Services	Supporting Services			Total Supporting Services	Total Jewish Family Service of San Diego		Charitable Auto Resources, Inc.	Eliminations	Total Expenses
		General and Administrative	Fundraising							
<u>Salaries and Related Expenses:</u>										
Salaries and wages	\$ 7,548,770	\$ 609,097	540,989	\$ 1,150,086	\$ 8,698,856	\$ 1,061,747	\$ -	\$ 9,760,603		
Payroll taxes	642,931	41,389	38,568	79,957	722,888	82,561	-	805,449		
Employee benefits	979,732	67,916	52,053	119,969	1,099,701	113,565	-	1,213,266		
Total Salaries and Related Expenses	<u>9,171,433</u>	<u>718,402</u>	<u>631,610</u>	<u>1,350,012</u>	<u>10,521,445</u>	<u>1,257,873</u>	<u>-</u>	<u>11,779,318</u>		
<u>Nonsalary Related Expenses:</u>										
Advertising and promotion	95,570	95	51,413	51,508	147,078	295,490	(41,050)	401,518		
Bad debts	(329)	(7,151)	10,210	3,059	2,730	8,940	-	11,670		
Bank fees and payroll processing	9,884	46,853	23,156	70,009	79,893	4,062	-	83,955		
Conferences and meetings	12,620	3,900	138	4,038	16,658	24,144	-	40,802		
Consultants	33,446	25,312	1,055	26,367	59,813	131,692	-	191,505		
Contributions	-	-	-	-	-	277,000	(277,000)	-		
Depreciation and amortization	342,106	160,778	31,175	191,953	534,059	-	-	534,059		
Emergency assistance	835,178	-	-	-	835,178	-	-	835,178		
Equipment rental and expense	211,073	11,345	7,359	18,704	229,777	42,301	-	272,078		
Fundraising	1,055	-	45,434	45,434	46,489	-	-	46,489		
Holocaust home care	163,914	-	-	-	163,914	-	-	163,914		
Insurance	77,346	19,565	1,037	20,602	97,948	42,735	-	140,683		
Interest expense	-	3,118	-	3,118	3,118	-	-	3,118		
Legal, accounting and audit	18,577	24,878	1,223	26,101	44,678	26,567	-	71,245		
Membership/subscriptions	14,023	21,956	409	22,365	36,388	-	-	36,388		
Miscellaneous	22,592	19,040	393	19,433	42,025	36,196	-	78,221		
Office and computer supplies	107,944	8,762	3,174	11,936	119,880	18,783	-	138,663		
Postage	23,674	1,685	10,634	12,319	35,993	34,388	-	70,381		
Printing	66,791	1,025	32,903	33,928	100,719	5,283	-	106,002		
Professional fees	199,393	36,460	46,345	82,805	282,198	196,426	(149,354)	329,270		

(Continued)

The accompanying notes are an integral part of the consolidated financial statements.

**JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

	Program Services	Supporting Services			Total Supporting Services	Total Jewish Family Service of San Diego		Charitable Auto Resources, Inc.	Eliminations	Total Expenses
		General and Administrative	Fundraising							
<u>Nonsalary Related Expenses: (Continued)</u>										
Program expenses	\$ 810,278	\$ 116	\$ 145	\$ 261	\$ 810,539	\$ -	\$ -	\$ -	\$ 810,539	
Property and other taxes	23,907	4,200	1,061	5,261	29,168	-	-	-	29,168	
Rent	499,468	745	-	745	500,213	88,727	-	-	588,940	
Repairs and maintenance	91,986	5,612	4,489	10,101	102,087	6,871	-	-	108,958	
Staff development	26,119	2,707	454	3,161	29,280	5,417	-	-	34,697	
Subcontractor fees	149,276	-	-	-	149,276	-	-	-	149,276	
Telephone	116,794	10,101	3,192	13,293	130,087	61,756	-	-	191,843	
Transportation service	107,167	2,598	23	2,621	109,788	1,895	-	-	111,683	
Travel, entertainment and transportation	326,694	9,469	63,271	72,740	399,434	65,896	-	-	465,330	
Utilities	145,231	5,858	4,075	9,933	155,164	12,347	-	-	167,511	
Total Nonsalary Related Expenses	<u>4,531,777</u>	<u>419,027</u>	<u>342,768</u>	<u>761,795</u>	<u>5,293,572</u>	<u>1,386,916</u>	<u>(467,404)</u>	<u>(467,404)</u>	<u>6,213,084</u>	
Total Functional Expenses	13,703,210	1,137,429	974,378	2,111,807	15,815,017	2,644,789	(467,404)	(467,404)	17,992,402	
Less: Intercompany	<u>-</u>	<u>-</u>	<u>(4,170)</u>	<u>(4,170)</u>	<u>(4,170)</u>	<u>(463,234)</u>	<u>467,404</u>	<u>467,404</u>	<u>-</u>	
TOTAL EXPENSES	<u>\$ 13,703,210</u>	<u>\$ 1,137,429</u>	<u>\$ 970,208</u>	<u>\$ 2,107,637</u>	<u>\$ 15,810,847</u>	<u>\$ 2,181,555</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,992,402</u>	

The accompanying notes are an integral part of the consolidated financial statements.

**JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ 2,749,708	\$ 2,451,693
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	374,089	534,059
Gain on sale of land, buildings and equipment	22,760	(3,675)
Donated assets	-	-
Net realized and unrealized gains on investments	620,373	(1,524,408)
Permanently restricted contributions	(410,422)	-
Permanently restricted investment income	47,295	(174,279)
Permanently restricted distributions	24,699	48,945
(Increase) Decrease in:		
Accounts receivable, net	(35,530)	(66,196)
Grants and contracts receivable	145,534	649,703
Prepaid expenses and other assets	(58,446)	(15,431)
Unconditional promises to give, net	(161,581)	1,009,944
Deposits	(18,745)	(39,360)
Increase (Decrease) in:		
Accounts payable	45,540	(4,606)
Accrued expenses	86,891	107,426
Taxes payable	(21,796)	(187,381)
Unearned revenue	(90,428)	65,697
Deferred compensation	(564,775)	87,613
Net Cash Provided by Operating Activities	<u>2,755,166</u>	<u>2,939,744</u>
<u>Cash Flows From Investing Activities:</u>		
HFLA loans receivable, net	(20,674)	6,734
Other loans receivable, net	(63,651)	450
Purchase of investments, net	(2,721,826)	(2,089,376)
Payment of deposit	(50,000)	-
Proceeds from sale of land, buildings and equipment	-	5,175
Purchase of land, buildings and equipment	(129,520)	(181,309)
Change in beneficial interests in endowment funds	71,994	(125,334)
Net Cash Used in Investing Activities	<u>(2,913,677)</u>	<u>(2,383,660)</u>

(Continued)

The accompanying notes are an integral part of the consolidated financial statements.

**JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<u>Cash Flows From Financing Activities:</u>		
Repayment of bonds payable	-	(300,000)
Permanently restricted contributions	410,422	-
Permanently restricted investment income	(47,295)	174,279
Permanently restricted distributions	(24,699)	(48,945)
Net Cash Used in Financing Activities	<u>338,428</u>	<u>(174,666)</u>
Net Increase in Cash and Cash Equivalents	179,917	381,418
Cash and Cash Equivalents at Beginning of Year	<u>2,243,983</u>	<u>1,862,565</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,423,900</u>	<u>\$ 2,243,983</u>
<u>Supplementary Disclosure of Cash Flow Information:</u>		
Interest Paid	<u>\$ -</u>	<u>\$ 218</u>
Income Taxes Paid	<u>\$ 924,139</u>	<u>\$ 1,274,075</u>

The accompanying notes are an integral part of the consolidated financial statements.

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

Note 1 - Organization and Significant Accounting Policies:

Organization

The consolidated financial statements will be referred to as “JFS” and include the accounts of the following entities. All material intercompany transactions have been eliminated in consolidation:

Jewish Family Service of San Diego

Jewish Family Service of San Diego (JFS) is a California 501(c)(3) nonprofit organization that was founded in 1918 by a consortium of women’s clubs who sought to address the myriad of human needs of the time. Today JFS is a comprehensive social service organization with eleven locations throughout San Diego County and two facilities serving the Coachella Valley along with seven Housing and Urban Development (HUD) apartments. From its early grassroots origins, the agency now serves over 35,000 people annually. The mission of JFS is to strengthen the individual, enhance the family, and protect the vulnerable, with human services based on Jewish values.

JFS Foundation, LLC

JFS Foundation, LLC (Foundation) is a California 501(c)(3) nonprofit organized on March 28, 2006. The Foundation was formed to raise funds for JFS through “The Building on a Tradition of Caring Capital Campaign” with a goal to fund the purchase and renovation of the new headquarters building and endowing a portion of Older Adult Services.

JFS Holdings, LLC

JFS Holdings, LLC (Holdings) is a California 501(c)(3) nonprofit organized on March 28, 2006. Holdings was formed to acquire and renovate the new headquarters building.

Charitable Auto Resources, Inc.

Charitable Auto Resources, Inc. (CARS) was incorporated in Delaware October 14, 2003 as a for-profit corporation. CARS is a service-orientated car donation management program based in San Diego, California. CARS accepts car donations in all 50 states and the District of Columbia. CARS is dedicated to helping nonprofit organizations raise funds through successful car donation programs. JFS owns 100% of the outstanding common stock of CARS.

Charitable Adult Rides & Services, Inc.

Charitable Adult Rides & Services, Inc. (CARS nonprofit) was incorporated in California as a nonprofit public benefit corporation on December 21, 2010 and received approval from the IRS on September 25, 2011 that it is exempt from Federal income tax under section 501(c)(3) of the internal Revenue Code. JFS is the sole member of CARS nonprofit. The specific purpose of CARS nonprofit is to serve the transportation needs of older adults who are unable to drive, through shuttles, group transportation, excursions, taxi script, volunteer driver programs, car donations to provide transportation and fund the program, and to assist other charities’ fundraising efforts through vehicle donation programs.

**JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011**

Note 1 - Organization and Significant Accounting Policies:

Organization (Continued)

JFS operates the following programs in four divisions:

Counseling and Educational Services

The Counseling program provides individual, couples, family and group counseling services to individuals from diverse backgrounds. Services are provided by licensed therapists and interns on a sliding scale; some forms of insurance are accepted. Both brief and long-term therapy is available, depending on client need. Areas of specialty include: mood disorder, play therapy, communication, divorce and separation, chronic health issues, grief, and general life transitions.

The Parenting and Youth Services department provides a broad base of services to families and youth, with a focus on strengthening family relationships through education. Programs in this department include: Preschool in the Park, Positive Parenting, and Parents Support and Empowerment. Of note, this department houses the largest County grant ever received by JFS.

Pachie's Place, a new innovative parenting program, is focused on early intervention and education for families with children ages zero to five years old.

The Patient Advocacy Program provides support for the rights of mentally ill individuals through direct service and general education. Patient Advocates work throughout the County, advocating on behalf of mentally ill individuals at psychiatric hospitals, board and care facilities, legal hearings and more. Advocates also ensure that these individuals are being treated with respect by providing education to direct service staff and administrators at these facilities.

Project SARAH (Stop Abusive Relationships At Home) provides counseling, case management, community outreach and education, support groups and legal advocacy to survivors of domestic or relationship abuse and their children.

Community Services

Adoption Alliance of Southern California is a nonprofit adoption agency, licensed by the State of California and fully Hague Accredited, providing international and domestic homestudies, post-placement studies, parent education, consultations, groups and referrals. Stars of David, a program within Adoption Alliance, is a national network of support and information for Jewish and interfaith families with adopted children

Community Case Management provides professional crisis case managers dedicated to empowering the client and their family to return to self-sufficiency after an unstable situation. Case managers have multiple specialty areas and provide the necessary resources, referrals, and services critical to the client's physical, emotional, and spiritual well-being.

Girls Give Back is a leadership, empowerment and service-learning program for young Jewish women. Girls Give Back promotes Jewish values while developing social-mindedness, critical thinking, healthy self-esteem, and empathy in high school girls.

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

Note 1 - Organization and Significant Accounting Policies:

Organization (Continued)

Community Services (Continued)

In conjunction with the *Hand Up* Teen Leadership Program, the award winning *Hand Up* Youth Food Pantry distributes food to low-income and homeless individuals and families at multiple sites in San Diego County. It provides a unique opportunity for youth and groups to volunteer in the food pantry.

The nationally-recognized *Hand Up* Teen Leadership Program offers high school students a unique opportunity to learn about social change and see the difference they can make in our community. Students use leadership skills in a real-world setting by supporting the *Hand Up* Youth Food Pantry through direct service and advocacy.

The Hunger Advocacy Network includes 16 organizational partners from across San Diego County who are actively involved in state-wide advocacy. Member organizations address an anti-hunger policy agenda through the state legislature and support Hunger Action Month activities in September.

The Intensive Psychiatric Case Management program is for Jewish adults who require intensive ongoing support to live successfully in the community.

Jewish BIGPals matches Jewish adult mentors with Jewish children from single-parent or non-traditional families. Mentors provide friendship, companionship, and life-enriching experiences to the children they mentor, enhancing their growth and development and helping them achieve their full potential.

Supporting Jewish Single Parents (SJSP) actively welcomes and connects Jewish single parents and their children to the Jewish community. The program helps promote Jewish continuity and offers services that enhance a feeling of belonging and inclusion.

North Coastal Jewish Connections links Jews living in the coastal area of North County to the Jewish community and JFS via a full spectrum of programs and services.

The Jewish Healing Center provides short-term spiritual counseling and support, friendly visits, healing services, meditation, contemplative workshops, and support groups for chronic illness, bereavement, and spiritual direction.

Established in 2008 in response to the economic crisis, the Jewish Employment Network supports Jewish individuals in their job search and helps connect Jewish community members with employers.

Ways to Work is a character based car loan program for working families with poor or challenged credit. Qualified loan recipients can apply for a car loan and will receive on-going case management services to assist them in attaining self-sufficiency.

Since 1918 JFS has offered resettlement services to newly arriving refugees and asylees from around the world. Refugee Resettlement and Acculturation program case managers work with refugee families providing financial assistance, social services, case management, and acculturation programs and workshops.

**JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011**

Note 1 - Organization and Significant Accounting Policies:

Organization (Continued)

Community Services (Continued)

Preferred Communities, a specialized medical case management program, assists newly arrived refugees with significant health issues. A skilled medical social worker helps connect and navigate a complex medical system while at the same time building cultural awareness and sensitivity to refugee issues with health care providers.

The Prins Asylum Program offers pro-bono legal assistance for individuals who are experiencing or at risk of persecution in their homeland and are seeking protection in the United States.

The Citizenship and Naturalization program provides services to qualified individuals that enable them to become US citizens.

Volunteer Services provides and coordinates volunteer opportunities at JFS. More than 550 volunteers are active each month and these volunteers donated more than 62,850 hours this fiscal year. Volunteers are the heart of JFS, working directly with those in need and providing administrative support.

Emergency Shelter and Supportive Housing

Roy's Desert Resource Center, named in honor of the late Riverside County Supervisor, Roy Wilson, is the first comprehensive homeless center built in the Western Coachella Valley. Located in Palm Springs, the center offers shelter and numerous supportive services to ninety (90) homeless individuals each night. Desert SOS staff members assist clients in regaining their stability in the community, as well as securing safe and affordable housing.

Desert Horizons, located in the Coachella Valley, is a scattered-site, transitional living program which places homeless individuals directly from the streets and emergency shelters into transitional housing units with appropriate supportive services. The units consists of seven (7) one and two-bedroom apartments located in Palm Springs, Cathedral City and Desert Hot Springs.

Desert Vista is a 40-bed, scattered site permanent supportive housing project based in the Coachella Valley. The goal of this HUD-funded Supportive Housing Program is to:

- Help participants obtain and remain in permanent housing.
- Help participants increase skills and/or income.
- Help participants achieve greater self-determination.

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

Note 1 - Organization and Significant Accounting Policies:

Organization (Continued)

Aging & Wellness Services

Geriatric Care Management provides comprehensive assessments, plan of care, coordination of services, consultations, advocacy and referrals for older adults in need.

Serving Older Holocaust Survivors (SOS) program provides care management, home care, and emergency assistance services for low-income Jewish Holocaust survivors.

CO-OP (Creating Opportunities for Older Persons) allows older adults to age in place in a supported community.

The three social & wellness centers, College Avenue Center located at Congregation Beth Jacob, North County Inland Center located at Temple Adat Shalom and University City Older Adult Center located at Congregation Beth Israel, all provide daily activities, exercise and computer classes, educational programs and hot kosher lunches. The College Avenue Center also has available a nutritious salad bar in addition to the hot lunch.

The Foodmobile program provides home delivered hot kosher meals and friendly visits to older adults and younger homebound disabled adults.

The Senior Nutrition program is a kosher kitchen located at Congregation Beth Jacob that provides nutritional hot food to the Social & Wellness Centers and the Foodmobile program.

JFS Fix-It Service provides free home repairs and safety modifications for low-income older adults.

On the Go: Transportation Solutions for Older Adults (*On the Go*) is a transportation service for older adults operated under a memorandum of understanding (MOU) with CARS nonprofit. *On the Go* provides the following:

- Rides & Smiles - individual transportation by volunteer drivers to necessary medical and personal appointments.
- *On the Go* Shuttles - group transportation to shopping and dining destinations and to JFS Older Adult Centers.
- *On the Go* Excursions - group transportation to organized activities and community events.
- Taxi Scrip for individual transportation.

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

Note 1 - Organization and Significant Accounting Policies: (Continued)

Significant Accounting Policies

Method of Accounting

The consolidated financial statements of JFS have been prepared on the accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America (GAAP) and, accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

The consolidated financial statements present information regarding the financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

The FASB has issued reporting standards for endowments of not-for-profit Organizations subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and enhanced disclosures for all endowment funds. The standards provide guidance on classifying the net assets associated with donor-restricted endowment funds held by organizations that are subject to an enacted version of UPMIFA, which serves as a model act for states to modernize their laws governing donor-restricted endowment funds. The standards also require additional disclosures about endowments (both donor-restricted funds and board-designated funds) to enable users of financial statements to understand the net asset classification, net asset composition, changes in net asset composition, spending policies, and related investment policies of its endowment funds.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties

JFS invests in various types of investment securities which are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the consolidated statement of financial position.

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

Note 1 - Organization and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Fair Value Measurements

JFS has adopted the fair value standards for financial assets and liabilities that are required to be measured at fair value on a recurring basis. The Fair Value Measurement standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). These standards do not change existing guidance as to whether or not an instrument is carried at fair value.

JFS's consolidated statements of financial position include the following financial instruments that are required to be measured at fair value on a recurring basis:

- Investments - Jewish Community Foundation funds are considered Level 2 assets and are reported at fair value based on the fair value of the underlying assets in the funds as reported by the fund manager, Jewish Community Foundation, since these funds are valued by the fund manager and are not traded in an active market. The State of Israel Bonds are considered Level 2 assets and are reported at the face value of the bonds, which approximates fair value.
- Beneficial interests in endowment funds (Jewish Community Foundation and Comerica Bank) are considered Level 3 assets and are reported at fair value based on the fair value of the underlying assets which approximates the future discounted cash flows.

Allowance for Doubtful Accounts

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding accounts receivable. The allowance for doubtful accounts consists of the following at June 30:

	<u>2012</u>	<u>2011</u>
Accounts receivable	\$ 34,791	\$ 40,023
HFLA loans receivable	6,615	4,318
Other loans receivable	550	584
Total	\$ 41,956	\$ 44,925

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

Note 1 - Organization and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Contributions

Contributions are recognized when the donor makes a promise to give to JFS that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Uncollectible unconditional promises to give are recognized on the allowance method based on historical experience and management's evaluation of outstanding unconditional promises to give. The allowance for uncollectible unconditional promises to give totaled \$695,408 and \$666,544 at June 30, 2012 and 2011, respectively.

Investments

Unrealized gains and losses are included in the consolidated change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

JFS has an investment committee that has established an investment policy. It is JFS's policy to diversify all investment portfolios. The investment committee reviews and evaluates the risk within the investment portfolios, nevertheless, those portions of the investment portfolios consisting of holdings in equity securities and debt instruments are exposed to market price volatility in the stock and bond markets and are therefore, inherently at risk.

Capitalization and Depreciation

JFS capitalizes all expenditures in excess of \$5,000 for land, buildings and equipment at cost, while donations of land, buildings and equipment are recorded at their estimated fair values. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long these donated assets must be maintained, JFS reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. JFS reclassifies temporarily restricted net assets to unrestricted net assets at that time. Buildings and equipment are depreciated using the straight-line method over the estimated useful asset lives as follows:

Buildings and improvements	15 - 31.5 years
Furniture and equipment	5 - 7 years
Equipment	5 - 7 years
Vehicles	5 years

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

Note 1 - Organization and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Capitalization and Depreciation (Continued)

Depreciation aggregated \$374,089 and \$413,604 for the years ended June 30, 2012 and 2011, respectively.

Maintenance and repairs are charged to operations as incurred. Upon sale or disposition of land, buildings or equipment, the asset account is reduced by the cost and the accumulated depreciation account is reduced by the depreciation taken prior to the sale. Any resultant gain or loss is then recorded as income or expense.

Impairment of Real Estate

JFS reviews its investment in real estate for impairment whenever events and changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted net cash flows expected to be generated by the property and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of real estate exceeds the fair value of such property. There were no impairment losses recognized in 2012 or 2011.

Amortization

Bond issuance costs were amortized on the straight-line method based on the term of the related debt. Amortization expense totaled \$0- and \$120,455 for the years ended June 30, 2012 and 2011, respectively.

Compensated Absences

Vested and accumulated vacation is recorded as an expense and liability as benefits accrue to employees. The accrued vacation liability totaled \$550,440 and \$530,645 at June 30, 2012 and 2011, respectively and is included in accrued expenses.

Revenue Recognition

Grant and contract revenue are recognized in the period in which the related work is performed in accordance with the terms of the grant or contract. Grants receivable are recorded when revenue earned under a grant or contract exceeds the cash received. Unearned revenue is recorded when cash received under a grant or contract exceeds the revenue earned. Unearned revenue totaled \$394,817 and \$485,245 at June 30, 2012 and 2011, respectively.

Donated Services

JFS utilizes the services of many volunteers throughout the year. This contribution of services by the volunteers is not recognized in the consolidated financial statements unless the services received (a) create or enhance nonfinancial assets or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The donated services for the years ended June 30, 2012 and 2011, did not meet the requirements above, therefore no amounts were recognized in the consolidated financial statements.

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

Note 1 - Organization and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Allocated Expenses

Expenses by function have been allocated by program and supporting services classifications on the basis of internal records and estimates made by JFS's management.

Income Taxes

JFS and CARS nonprofit are public charities and are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. JFS Foundation, LLC, JFS Holdings, LLC are considered disregarded entities for income tax purposes and are included in the income tax returns filed by JFS. JFS and CARS nonprofit believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the consolidated financial statements. JFS and CARS nonprofit are not private foundations.

CARS is a Delaware corporation subject to federal and state income taxes on its net earnings. Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of current taxes totaling \$866,757 and \$1,086,694 for the years ended June 30, 2012 and 2011, respectively. Income taxes prepaid (payable) totaled \$35,586 and \$(21,796) at June 30, 2012 and 2011, respectively.

JFS and CARS nonprofit's Returns of Organization Exempt from Income Tax and CARS Federal and State Income Tax Returns for the years ended June 30, 2012, 2011, 2010 and 2009 are subject to examination by the Internal Revenue Service and State taxing authorities, generally for the three to four years after the returns were filed.

Concentration of Credit Risk

JFS maintained its cash in bank deposit accounts which, at times, may exceed federally insured limits. JFS has not experienced any losses in such accounts. JFS believes it is not exposed to any significant credit risk on cash and cash equivalents.

Cash and Cash Equivalents

For purposes of the consolidated statement of cash flows, JFS considers all investment instruments purchased with a maturity of three months or less to be cash equivalents.

Subsequent Events

JFS has evaluated subsequent events through November 13, 2012, which is the date the consolidated financial statements are available for issuance, and concluded that there were no events or transactions that needed to be disclosed except as disclosed in Note 6.

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

Note 2 - Fair Value Measurements:

The following table summarizes assets measured at fair value by classification within the fair value hierarchy as of June 30:

	2012			Balance as of June 30, 2012
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Jewish Community Foundation	\$ -	\$ 16,685,532	\$ -	\$ 16,685,532
State of Israel Bonds	-	1,000	-	1,000
Beneficial Interests in Endowment Funds (Note 7)	-	-	872,691	872,691
	<u>\$ -</u>	<u>\$ 16,686,532</u>	<u>\$ 872,691</u>	<u>\$ 17,559,223</u>
	2011			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2011
Jewish Community Foundation	\$ -	\$ 14,580,048	\$ -	\$ 14,580,048
State of Israel Bonds	-	1,000	-	1,000
Beneficial Interests in Endowment Funds (Note 7)	-	-	944,685	944,685
	<u>\$ -</u>	<u>\$ 14,581,048</u>	<u>\$ 944,685</u>	<u>\$ 15,525,733</u>

The reconciliation for financial instruments measured at fair value on a recurring basis as significant unobservable inputs (Level 3) are included in the Notes as indicated above.

Note 3 - Grants and Contracts Receivable:

Grants and contracts receivable consist of the following at June 30:

	2012	2011
County of San Diego	\$ 238,209	\$ 217,505
County of Riverside	215,229	296,674
Hebrew Immigrant Aid Society	147,277	77,293
Conference on Jewish Material Claims Against Germany, Inc.	146,945	175,359
CVAG - Coachella Valley Association of Governments	98,966	121,735
Catholic Charities	70,440	38,617
San Diego Association of Governments	49,579	13,227
Palomar Pomerado Health	16,539	33,764
Social Advocates for Youth	15,167	15,333
Rady Children's Hospital	14,423	16,589
Grossmont Healthcare District	10,000	10,000
Other grants and contracts	2,943	6,633
Family Health Centers	-	77,521
Jewish Community Foundation	-	66,981
Desert Healthcare District	-	4,020
Total Grants and Contracts Receivable	<u>\$ 1,025,717</u>	<u>\$ 1,171,251</u>

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

Note 4 - Unconditional Promises to Give:

Unconditional promises to give consist of the following at June 30:

	<u>2012</u>	<u>2011</u>
Current:		
Due in less than one year	\$ 1,853,066	\$ 1,890,521
Less: Allowance for doubtful accounts	(695,408)	(666,544)
Total Current	1,157,658	1,223,977
Noncurrent:		
Due in less than one year (endowment)	20,000	-
Due in one to five years	250,000	133,500
Due in over five years	75,000	-
Less: Allowance for doubtful accounts	-	-
Discounts to present value	(3,850)	(20,250)
Total Noncurrent	341,150	113,250
Total Unconditional Promises to Give, Net	\$ 1,498,808	\$ 1,337,227

The unconditional promises to give have been discounted to their net present value using a discount rate of 6%.

Note 5 - Investments:

JFS maintains its investments at Jewish Community Foundation and in State of Israel Bonds. These funds are classified as permanently restricted if the investments must be maintained in perpetuity. The funds held at Jewish Community Foundation are invested in investment pools or are held as cash until invested in an investment pool. The Short Term Pool is a cash equivalent pool that seeks principal preservation by investing in certificates of deposit, securities issued or guaranteed by the U.S. government and other cash equivalents. The Mid Term Pool invests 30% in domestic and international equities, 70% in fixed income, and does not include an allocation to alternative investments or real estate. The Long Term Pool invests 65% in domestic and international equities, 30% in fixed income and 5% in real assets consisting of REITS and/or commodities. The Endowment Pool invests 57% in domestic and international equities, 30% in fixed income and 13% in alternative investments. Investments consist of the following at June 30:

	<u>2012</u>	<u>2011</u>
Cash	\$ 30,419	\$ 34,450
Short Term Pool	3,846,463	4,444,712
Mid Term Pool	168,780	358,018
Long Term Pool	7,326,952	7,741,267
Endowment Pool	5,343,337	2,036,051
State of Israel Bonds	1,000	1,000
Total Investments	\$ 16,716,951	\$ 14,615,498

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

Note 5 - Investments:

The following schedule summarizes the investment income and its classification in the consolidated statement of activities for the years ended June 30:

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest	\$ 232,396	\$ 184,912	\$ 22,420	\$ 439,728
Net realized and unrealized losses	(385,908)	(234,465)	(64,481)	(684,854)
Investment fees	(28,970)	(21,982)	(5,234)	(56,186)
Total Investment Income (Loss)	\$ (182,482)	\$ (71,535)	\$ (47,295)	\$ (301,312)

	2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest	\$ 214,115	\$ 82,402	\$ -	\$ 296,517
Net realized and unrealized gains	1,032,736	491,672	179,279	1,703,687
Investment fees	(26,218)	(8,245)	(5,000)	(39,463)
Total Investment Income	\$ 1,220,633	\$ 565,829	\$ 174,279	\$ 1,960,741

Note 6 - Land, Buildings and Equipment:

Land, buildings and equipment consist of the following at June 30:

	2012	2011
Land	\$ 2,023,335	\$ 2,023,335
Buildings and improvements	6,074,841	6,105,644
Furniture and equipment	400,967	400,967
Equipment	722,776	611,237
Vehicles	192,369	174,388
Subtotal	9,414,288	9,315,571
Less: Accumulated depreciation	(2,352,265)	(1,986,219)
Land, Buildings and Equipment, Net	\$ 7,062,023	\$ 7,329,352

JFS has entered into a purchase agreement to acquire a building and land for a total purchase price of \$3,275,000. JFS has deposited \$50,000 into an escrow fund at June 30, 2012, which is included in deposits.

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

Note 7 - Beneficial Interests in Endowment Funds:

JFS has a beneficial interest in endowment funds held at Jewish Community Foundation and Comerica Bank. The funds held at Jewish Community Foundation are invested in the Long Term Pool, which invests 65% in domestic and international equities, 30% in fixed income and 5% in real assets consisting of REITS and/or commodities, and the Endowment Pool, which invests 57% in domestic and international equities, 30% in fixed income and 13% in alternative investments. The funds held at Comerica Bank are invested in a balanced portfolio including cash and cash equivalents, equities and fixed income securities.

The activity in the beneficial interests in endowment funds consisted of the following for the years ended June 30:

	<u>2012</u>	<u>2011</u>
Balance, Beginning of Year	\$ 944,685	\$ 819,351
Investment gain (loss)	(47,295)	174,279
Distributions	(24,699)	(48,945)
Balance, End of Year	<u>\$ 872,691</u>	<u>\$ 944,685</u>

Note 8 - Deferred Compensation:

JFS has a deferred compensation agreement with an executive employee. The plan provides for quarterly contributions to investment accounts held at Jewish Community Foundation set aside for this purpose. Contributions totaled \$31,632 and \$76,316 for the years ended June 30, 2012 and 2011, respectively and are included in employee benefits in the consolidated statements of functional expenses. The deferred compensation liability totaled \$306,517 and \$871,292 at June 30, 2012 and 2011, respectively, and is fully funded at June 30, 2012 and 2011. The corresponding assets are included in investments in the Short Term Pool and Mid Term Pool at June 30, 2012 and 2011.

Note 9 - Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes at June 30:

	<u>2012</u>	<u>2011</u>
Capital Campaign	\$ 2,096,552	\$ 2,075,604
Grants and Contributions with time and purpose restrictions	5,646,764	3,746,476
Unappropriated endowment earnings	70,657	111,292
Hebrew Free Loan Assistance (HFLA)	81,683	88,376
Rubenstein Scholarship fund	25,057	30,379
Total Temporarily Restricted Net Assets	<u>\$ 7,920,713</u>	<u>\$ 6,052,127</u>

Net assets in the amounts of \$1,161,624 and \$737,477 were released from donor restrictions by incurring expenses and events satisfying the purpose or time restrictions specified by donors for the years ended June 30, 2012 and 2011, respectively.

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

Note 10 - Endowment Net Assets:

JFS's endowment consists of five individual funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions. JFS holds and manages the general endowment fund, with the remaining four funds held and managed by others.

JFS Managed Funds:

JFS has interpreted the enacted version of the Uniform Prudent Management of Institutional funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, JFS classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment (2) the original value of subsequent gifts donated to the permanent endowment (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by JFS in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, JFS considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of JFS and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of JFS
7. The investment policies of JFS

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires JFS to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2012 and 2011.

JFS has adopted investment and spending policies for endowment funds that:

1. Protect the invested assets
2. Preserve spending capacity of the fund income
3. Maintain a diversified portfolio of assets that meet investment return objectives while keeping risk at a minimal level
4. Comply with applicable laws

JFS's endowment funds are invested at Jewish Community Foundation in a portfolio of equity and debt securities which is structured for long-term total return.

JFS's spending policy is to disburse funds available in accordance with donor restrictions to meet the current program needs of JFS.

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

Note 10 - Endowment Net Assets: (Continued)

Beneficial Interests in Endowment Funds:

The beneficial interests in endowment funds are held by Jewish Community Foundation (“JCF”) and Comerica Bank (the “Bank”) and are managed in accordance with UPMIFA. The investment objectives are to maintain the purchasing power (real value) of the endowment funds. However, from time to time, the fair value of the assets in the endowment fund may fall below the level that the donors require be retained as a fund of perpetual duration. JFS classifies permanently restricted net assets held by JCF and the Bank as:

1. The original value of gifts donated to the fund
2. The original value of JFS funds transferred to the fund
3. The original value of subsequent gifts donated to the fund
4. Investment income and realized and unrealized gains and losses on investments
5. Distributions from the fund in accordance with the spending policy

JCF and the Bank have adopted investment and spending policies for endowment funds that:

1. Protect the invested assets
2. Preserve spending capacity of the fund income
3. Maintain a diversified portfolio of assets that meet investment return objectives while keeping risk at a moderate level
4. Comply with applicable laws

JCF endowment funds are invested in a portfolio of equity and debt securities which is structured for long-term total return. The endowment funds held at Comerica Bank are invested in a balanced portfolio including cash and cash equivalents, equities and fixed income securities.

JCF’s spending policy is to disburse 5% annually, based upon endowment principal market value. If the market value of the Endowment Principal of any fund, at the end of each month, is less than the initial value of all contributions made to the Endowment Principal, then distributions will be limited to interest and dividends received. Given the recent market declines, many of JCF’s endowment fund distributions will be limited. The Bank’s spending policy is to distribute 5% annually.

Endowment composition by type of fund as of June 30:

	2012		
	Temporarily Restricted	Permanently Restricted	Total
Held by JFS:			
General Endowment Fund	\$ 70,657	\$ 1,425,422	\$ 1,496,079
Beneficial Interest in Endowment Funds:			
Held by Jewish Community Foundation:			
Katzin Endowment Fund	-	526,530	526,530
Gotkowitz Endowment Fund	-	160,106	160,106
Chortex Endowment Fund	-	59,856	59,856
Held by Comerica Bank:			
Schwartz Endowment Fund	-	126,199	126,199
Total Endowment Funds	\$ 70,657	\$ 2,298,113	\$ 2,368,770

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

Note 10 - Endowment Net Assets: (Continued)

	2011		
	Temporarily Restricted	Permanently Restricted	Total
Held by JFS:			
General Endowment Fund	\$ 111,292	\$ 1,015,000	\$ 1,126,292
Beneficial Interest in Endowment Funds:			
Held by Jewish Community Foundation:			
Katzin Endowment Fund	-	554,256	554,256
Gotkowitz Endowment Fund	-	175,133	175,133
Chortex Endowment Fund	-	73,905	73,905
Held by Comerica Bank:			
Schwartz Endowment Fund	-	141,391	141,391
Total Endowment Funds	\$ 111,292	\$ 1,959,685	\$ 2,070,977

Changes in endowment net assets for the years ended June 30:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets at June 30, 2010	\$ (95,717)	\$ -	\$ 1,834,351	\$ 1,738,634
Net realized and unrealized appreciation	95,717	111,292	174,279	381,288
Appropriation of endowment assets for expenditure	-	-	(48,945)	(48,945)
Endowment Net Assets at June 30, 2011	-	111,292	1,959,685	2,070,977
Contributions	-	-	410,422	410,422
Net realized and unrealized depreciation	-	(40,635)	(53,662)	(94,297)
Appropriation of endowment assets for expenditure	-	-	(18,332)	(18,332)
Endowment Net Assets at June 30, 2012	\$ -	\$ 70,657	\$ 2,298,113	\$ 2,368,770

Note 11 - Related Party Transaction:

In March 2012, JFS made a loan to its Executive Director totaling \$65,625. The loan is payable in monthly installments of \$498 including interest at 1.50%. In addition, in accordance with the agreement, JFS will forgive \$5,000 of the loan balance for each year that the Executive Director is employed. If the Executive Director's employment is terminated for any reason before the loan is fully repaid, the loan plus any accrued interest must be paid in full within one hundred twenty (120) days. The loan is unsecured at June 30, 2012, but a security interest in the purchased property has been obtained. The balance of loan totaled \$63,957 at June 30, 2012 and is included in other loans receivable.

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

Note 12 - Commitments:

Retirement Plan

JFS has established a 401(k) retirement plan (the “Plan”) covering all full-time and half-time employees. The Plan allows for employee contributions to the Plan up to the maximum amount allowed by the Internal Revenue Code if they wish beginning on their hire date. JFS may make a discretionary contribution to the Plan on an annual basis. Employees are eligible to participate in JFS’s contribution if they are 21 years of age and have completed 975 hours of service during the Plan year. JFS contributed \$289,894 and \$270,972 to plan for the years ended June 30, 2012 and 2011, respectively.

Facility Operating Leases

JFS leases office facilities under lease agreements expiring through June 2015. Rent expense for the office facilities totaled \$715,727 and \$588,940 for the years ended June 30, 2012 and 2011, respectively.

The following is a schedule of minimum lease payments under the leases:

<u>Years Ended</u> <u>June 30</u>	
2013	\$ 391,592
2014	141,514
2015	<u>88,800</u>
Total	<u>\$ 621,906</u>



Leaf & Cole, LLP
Certified Public Accountants
A Partnership of Professional Corporations

Steven W. Northcote, C.P.A.
Michael S. Schreiber, C.P.A.
Michael J. Zizzi, C.P.A.
Julie A. Firl, C.P.A.
Nicholas M. Gines, C.P.A.

Members
American Institute of Certified Public Accountants
California Society of Certified Public Accountants

Independent Auditor's Report on Supplementary Information

To the Board of Directors
Jewish Family Service of San Diego

We have audited the consolidated financial statements of Jewish Family Service of San Diego as of and for the years ended June 30, 2012 and 2011, and have issued our report thereon dated November 13, 2012, which contained an unqualified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Leaf & Cole LLP

San Diego, California
November 13, 2012

JEWISH FAMILY SERVICE OF SAN DIEGO
SUPPLEMENTARY CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2012

ASSETS

	Jewish Family Service of San Diego	JFS Foundation, LLC	JFS Holdings, LLC	Charitable Auto Resources, Inc.	Charitable Adult Rides & Services, Inc.	Eliminations	Consolidated
<u>Current Assets:</u>							
Cash and cash equivalents	\$ 1,141,012	\$ 8,085	\$ -	\$ 891,325	\$ 383,478	\$ -	\$ 2,423,900
Accounts receivable, net	72,140	-	-	252,052	436,642	-	760,834
Grants and contracts receivable	1,025,717	-	-	-	-	-	1,025,717
HFLA loans receivable, net	59,539	-	-	-	-	-	59,539
Other loans receivable, net	15,022	-	-	-	-	-	15,022
Prepaid expenses and other assets	39,496	-	-	79,027	4,662	-	123,185
Unconditional promises to give, net	987,190	170,468	-	-	-	-	1,157,658
Intercompany receivables	8,845,151	-	-	-	-	(8,845,151)	-
Total Current Assets	<u>12,185,267</u>	<u>178,553</u>	<u>-</u>	<u>1,222,404</u>	<u>824,782</u>	<u>(8,845,151)</u>	<u>5,565,855</u>
<u>Noncurrent Assets:</u>							
Other loans receivable	53,884	-	-	-	-	-	53,884
Unconditional promises to give, net	282,500	58,650	-	-	-	-	341,150
Investments	14,857,602	1,859,349	-	-	-	-	16,716,951
Investment in subsidiaries	896,593	-	-	-	-	(896,593)	-
Intercompany receivables	264,863	-	-	-	-	(264,863)	-
Deposits	128,811	-	-	6,744	-	-	135,555
Land, buildings and equipment, net	266,013	-	6,748,599	47,411	-	-	7,062,023
Beneficial interests in endowment funds	872,691	-	-	-	-	-	872,691
Total Noncurrent Assets	<u>17,622,957</u>	<u>1,917,999</u>	<u>6,748,599</u>	<u>54,155</u>	<u>-</u>	<u>(1,161,456)</u>	<u>25,182,254</u>
TOTAL ASSETS	<u>\$ 29,808,224</u>	<u>\$ 2,096,552</u>	<u>\$ 6,748,599</u>	<u>\$ 1,276,559</u>	<u>\$ 824,782</u>	<u>\$ (10,006,607)</u>	<u>\$ 30,748,109</u>

JEWISH FAMILY SERVICE OF SAN DIEGO
SUPPLEMENTARY CONSOLIDATING SCHEDULE OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2012

LIABILITIES AND NET ASSETS

	Jewish Family Service of San Diego	JFS Foundation, LLC	JFS Holdings, LLC	Charitable Auto Resources, Inc.	Charitable Adult Rides & Services, Inc.	Eliminations	Consolidated
<u>Current Liabilities:</u>							
Accounts payable	\$ 328,375	\$ -	\$ -	\$ 84,832	\$ 15,837	\$ -	\$ 429,044
Accrued expenses	1,255,317	-	-	508,742	330,474	-	2,094,533
Taxes payable	-	-	-	-	-	-	-
Intercompany payables	-	-	-	174,349	90,514	(264,863)	-
Unearned revenue	394,817	-	-	-	-	-	394,817
Total Current Liabilities	<u>1,978,509</u>	<u>-</u>	<u>-</u>	<u>767,923</u>	<u>436,825</u>	<u>(264,863)</u>	<u>2,918,394</u>
<u>Noncurrent Liabilities:</u>							
Deferred compensation	306,517	-	-	-	-	-	306,517
Intercompany payables	-	2,096,552	6,748,599	-	-	(8,845,151)	-
Total Noncurrent Liabilities	<u>306,517</u>	<u>2,096,552</u>	<u>6,748,599</u>	<u>-</u>	<u>-</u>	<u>(8,845,151)</u>	<u>306,517</u>
Total Liabilities	<u>2,285,026</u>	<u>2,096,552</u>	<u>6,748,599</u>	<u>767,923</u>	<u>436,825</u>	<u>(9,110,014)</u>	<u>3,224,911</u>
<u>Net Assets:</u>							
Unrestricted	17,304,372	-	-	508,636	387,957	(896,593)	17,304,372
Temporarily restricted	7,920,713	-	-	-	-	-	7,920,713
Permanently restricted	2,298,113	-	-	-	-	-	2,298,113
Total Net Assets	<u>27,523,198</u>	<u>-</u>	<u>-</u>	<u>508,636</u>	<u>387,957</u>	<u>(896,593)</u>	<u>27,523,198</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>29,808,224</u>	\$ <u>2,096,552</u>	\$ <u>6,748,599</u>	\$ <u>1,276,559</u>	\$ <u>824,782</u>	\$ <u>(10,006,607)</u>	\$ <u>30,748,109</u>

**JEWISH FAMILY SERVICE OF SAN DIEGO
SUPPLEMENTARY CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

	Jewish Family Service of <u>San Diego</u>	JFS Foundation, <u>LLC</u>	JFS Holdings, <u>LLC</u>	Charitable Auto <u>Resources, Inc.</u>	Charitable Adult Rides & <u>Services, Inc.</u>	<u>Eliminations</u>	<u>Consolidated</u>
<u>Unrestricted Net Assets:</u>							
<u>Support and Revenues:</u>							
Grants and contracts	\$ 9,045,211	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,045,211
Contributions	3,433,978	-	-	-	-	(262,000)	3,171,978
Charitable auto resources fees	-	-	-	4,549,129	830,607	-	5,379,736
Program revenue	1,177,600	-	-	-	-	(163,313)	1,014,287
Fees and other revenue	142,920	-	-	22,941	-	-	165,861
Gain (loss) on sale of land, buildings and equipment	(22,760)	-	-	-	-	-	(22,760)
Investment income (loss)	(182,506)	-	-	-	24	-	(182,482)
Income from subsidiary	1,750,515	-	-	-	-	(1,750,515)	-
Management fees	-	-	-	2,419	777	(3,196)	-
Net assets released from restrictions	1,186,323	-	-	-	-	-	1,186,323
Total Support and Revenues	<u>16,531,281</u>	<u>-</u>	<u>-</u>	<u>4,574,489</u>	<u>831,408</u>	<u>(2,179,024)</u>	<u>19,758,154</u>
<u>Expenses:</u>							
<u>Program Services:</u>							
Jewish Family Service of San Diego	14,142,762	-	-	-	-	-	14,142,762
Charitable Auto Resources	-	-	-	2,345,174	-	(397,673)	1,947,501
Charitable Adult Rides & Services, Inc.	-	-	-	-	264,616	(4,067)	260,549
Total Program Services	<u>14,142,762</u>	<u>-</u>	<u>-</u>	<u>2,345,174</u>	<u>264,616</u>	<u>(401,740)</u>	<u>16,350,812</u>
<u>Supporting Services:</u>							
General and administrative	662,648	-	-	-	134,885	(23,573)	773,960
Fundraising	1,183,177	-	-	-	43,950	(3,196)	1,223,931
Total Supporting Services	<u>1,845,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>178,835</u>	<u>(26,769)</u>	<u>1,997,891</u>
Total Expenses	<u>15,988,587</u>	<u>-</u>	<u>-</u>	<u>2,345,174</u>	<u>443,451</u>	<u>(428,509)</u>	<u>18,348,703</u>

(Continued)

JEWISH FAMILY SERVICE OF SAN DIEGO
SUPPLEMENTARY CONSOLIDATING SCHEDULE OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012

	Jewish Family Service of <u>San Diego</u>	JFS Foundation, <u>LLC</u>	JFS Holdings, <u>LLC</u>	Charitable Auto <u>Resources, Inc.</u>	Charitable Adult Rides & <u>Services, Inc.</u>	<u>Eliminations</u>	<u>Consolidated</u>
Change in Unrestricted Net Assets Before Income Taxes	\$ 542,694	\$ -	\$ -	\$ 2,229,315	\$ 387,957	\$ (1,750,515)	\$ 1,409,451
Provision for Income Taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>866,757</u>	<u>-</u>	<u>-</u>	<u>866,757</u>
Change in Unrestricted Net Assets	542,694	-	-	1,362,558	387,957	(1,750,515)	542,694
<u>Temporarily Restricted Net Assets:</u>							
Contributions	3,101,745	-	-	-	-	-	3,101,745
Investment income (loss)	(71,535)	-	-	-	-	-	(71,535)
Net assets released from restrictions	<u>(1,161,624)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,161,624)</u>
Change in Temporarily Restricted Net Assets	<u>1,868,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,868,586</u>
<u>Permanently Restricted Net Assets:</u>							
Contributions	410,422	-	-	-	-	-	410,422
Investment income (loss)	(47,295)	-	-	-	-	-	(47,295)
Distributions	<u>(24,699)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,699)</u>
Change in Permanently Restricted Net Assets	<u>338,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>338,428</u>
Change in Net Assets	2,749,708	-	-	1,362,558	387,957	(1,750,515)	2,749,708
Net Assets at Beginning of Year	24,773,490	-	-	396,078	-	(396,078)	24,773,490
Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,250,000)</u>	<u>-</u>	<u>1,250,000</u>	<u>-</u>
NET ASSETS AT END OF YEAR	<u>\$ 27,523,198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 508,636</u>	<u>\$ 387,957</u>	<u>\$ (896,593)</u>	<u>\$ 27,523,198</u>

JEWISH FAMILY SERVICE OF SAN DIEGO
SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES - JEWISH FAMILY SERVICE
FOR THE YEAR ENDED JUNE 30, 2012

	Supporting Services				Total
	Program Services	General and Administrative	Fundraising	Total Supporting Services	
<u>Salaries and Related Expenses:</u>					
Salaries and wages	\$ 7,688,907	\$ 335,737	639,613	\$ 975,350	\$ 8,664,257
Payroll taxes	648,087	38,980	47,419	86,399	734,486
Employee benefits	1,204,018	46,762	70,564	117,326	1,321,344
Total Salaries and Related Expenses	<u>9,541,012</u>	<u>421,479</u>	<u>757,596</u>	<u>1,179,075</u>	<u>10,720,087</u>
<u>Nonsalary Related Expenses:</u>					
Advertising and promotion	74,848	8	36,636	36,644	111,492
Bad debts	2,681	(1,487)	47,004	45,517	48,198
Bank fees and payroll processing	38,691	19,620	21,636	41,256	79,947
Conferences and meetings	5,206	4,899	(8)	4,891	10,097
Consultants	64,702	8,432	3,340	11,772	76,474
Depreciation	316,159	17,535	31,591	49,126	365,285
Emergency assistance	762,716	-	-	-	762,716
Equipment rental and expense	159,890	5,295	8,057	13,352	173,242
Fundraising	101	-	34,095	34,095	34,196
Holocaust home care	204,058	-	-	-	204,058
Insurance	92,733	13,886	1,628	15,514	108,247
Legal, accounting and audit	23,020	2,489	13,241	15,730	38,750
Membership/subscriptions	14,509	14,806	154	14,960	29,469
Miscellaneous	33,370	6,421	945	7,366	40,736
Office and computer supplies	94,034	3,641	6,433	10,074	104,108
Postage	24,200	1,617	11,804	13,421	37,621
Printing	61,347	484	44,346	44,830	106,177
Professional fees	190,368	113,287	80,321	193,608	383,976
Program expenses	814,629	-	343	343	814,972
Property and other taxes	1,795	(636)	89	(547)	1,248
Rent	622,380	1,094	101	1,195	623,575
Repairs and maintenance	104,763	3,610	6,105	9,715	114,478
Staff development	34,810	6,771	574	7,345	42,155
Subcontractor fees	108,040	-	-	-	108,040
Telephone	118,247	4,941	4,149	9,090	127,337
Transportation service	114,319	3,621	211	3,832	118,151
Travel, entertainment and transportation	365,877	7,666	67,781	75,447	441,324
Utilities	154,257	3,169	5,005	8,174	162,431
Total Nonsalary Related Expenses	<u>4,601,750</u>	<u>241,169</u>	<u>425,581</u>	<u>666,750</u>	<u>5,268,500</u>
TOTAL EXPENSES	<u>\$ 14,142,762</u>	<u>\$ 662,648</u>	<u>\$ 1,183,177</u>	<u>\$ 1,845,825</u>	<u>\$ 15,988,587</u>

**JEWISH FAMILY SERVICE OF SAN DIEGO
SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES -
CHARITABLE ADULT RIDES & SERVICES, INC.
FOR THE YEAR ENDED JUNE 30, 2012**

	Supporting Services				Total Expenses
	Program Services	General and Administrative	Fundraising	Total Supporting Services	
Salaries and Related Expenses:					
Salaries and wages	\$ 130,122	\$ 39,801	9,145	\$ 48,946	\$ 179,068
Payroll taxes	9,877	3,021	694	3,715	13,592
Employee benefits	11,601	3,550	815	4,365	15,966
Total Salaries and Related Expenses	151,600	46,372	10,654	57,026	208,626
Nonsalary Related Expenses:					
Advertising and promotion	5,339	9	2,275	2,284	7,623
Bank fees and payroll processing	1,562	478	110	588	2,150
Consultants	31,489	5,415	13,495	18,910	50,399
Equipment rental and expense	5,671	1,735	398	2,133	7,804
Insurance	274	4,823	117	4,940	5,214
Legal, accounting and audit	28,730	35,373	12,891	48,264	76,994
Miscellaneous	1,018	311	71	382	1,400
Office and computer supplies	2,102	643	148	791	2,893
Postage	3,658	1,119	257	1,376	5,034
Printing	376	-	161	161	537
Professional fees	11,983	32,759	1,303	34,062	46,045
Property and other taxes	1,694	-	726	726	2,420
Rent	7,902	2,417	556	2,973	10,875
Repairs and maintenance	417	127	29	156	573
Staff development	899	275	64	339	1,238
Telephone	6,564	2,008	461	2,469	9,033
Transportation service	267	82	19	101	368
Travel, entertainment and transportation	1,566	479	109	588	2,154
Utilities	1,505	460	106	566	2,071
Total Nonsalary Related Expenses	113,016	88,513	33,296	121,809	234,825
TOTAL EXPENSES	\$ 264,616	\$ 134,885	\$ 43,950	\$ 178,835	\$ 443,451

The accompanying notes are an integral part of the consolidated financial statements.

JEWISH FAMILY SERVICE OF SAN DIEGO
SUPPLEMENTARY CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2011

ASSETS

	Jewish Family Service of San Diego	JFS Foundation, LLC	JFS Holdings, LLC	Charitable Auto Resources, Inc.	Eliminations	Consolidated
<u>Current Assets:</u>						
Cash and cash equivalents	\$ 1,415,909	\$ 8,331	\$ -	\$ 819,743	\$ -	\$ 2,243,983
Accounts receivable, net	86,407	-	-	638,897	-	725,304
Grants and contracts receivable	1,171,251	-	-	-	-	1,171,251
HFLA loans receivable, net	38,865	-	-	-	-	38,865
Other loans receivable, net	5,255	-	-	-	-	5,255
Prepaid expenses and other assets	22,458	-	-	42,281	-	64,739
Unconditional promises to give, net	971,916	252,061	-	-	-	1,223,977
Intercompany receivables	207,141	-	-	-	(207,141)	-
Total Current Assets	<u>3,919,202</u>	<u>260,392</u>	<u>-</u>	<u>1,500,921</u>	<u>(207,141)</u>	<u>5,473,374</u>
<u>Noncurrent Assets:</u>						
Unconditional promises to give, net	8,500	104,750	-	-	-	113,250
Investments	12,905,037	1,710,461	-	-	-	14,615,498
Investment in subsidiary	396,078	-	-	-	(396,078)	-
Intercompany receivables	9,067,196	-	-	-	(9,067,196)	-
Deposits	60,066	-	-	6,744	-	66,810
Land, buildings and equipment, net	337,759	-	6,991,593	-	-	7,329,352
Beneficial interests in endowment funds	944,685	-	-	-	-	944,685
Total Noncurrent Assets	<u>23,719,321</u>	<u>1,815,211</u>	<u>6,991,593</u>	<u>6,744</u>	<u>(9,463,274)</u>	<u>23,069,595</u>
TOTAL ASSETS	<u>\$ 27,638,523</u>	<u>\$ 2,075,603</u>	<u>\$ 6,991,593</u>	<u>\$ 1,507,665</u>	<u>\$ (9,670,415)</u>	<u>\$ 28,542,969</u>

JEWISH FAMILY SERVICE OF SAN DIEGO
SUPPLEMENTARY CONSOLIDATING SCHEDULE OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2011

LIABILITIES AND NET ASSETS

	Jewish Family Service of San Diego	JFS Foundation, LLC	JFS Holdings, LLC	Charitable Auto Resources, Inc.	Eliminations	Consolidated
<u>Current Liabilities:</u>						
Accounts payable	\$ 300,467	\$ -	\$ -	\$ 83,037	\$ -	\$ 383,504
Accrued expenses	1,208,029	-	-	799,613	-	2,007,642
Taxes payable	-	-	-	21,796	-	21,796
Intercompany payables	-	-	-	207,141	(207,141)	-
Unearned revenue	485,245	-	-	-	-	485,245
Total Current Liabilities	<u>1,993,741</u>	<u>-</u>	<u>-</u>	<u>1,111,587</u>	<u>(207,141)</u>	<u>2,898,187</u>
<u>Noncurrent Liabilities:</u>						
Deferred compensation	871,292	-	-	-	-	871,292
Intercompany payables	-	2,075,603	6,991,593	-	(9,067,196)	-
Total Noncurrent Liabilities	<u>871,292</u>	<u>2,075,603</u>	<u>6,991,593</u>	<u>-</u>	<u>(9,067,196)</u>	<u>871,292</u>
Total Liabilities	<u>2,865,033</u>	<u>2,075,603</u>	<u>6,991,593</u>	<u>1,111,587</u>	<u>(9,274,337)</u>	<u>3,769,479</u>
<u>Net Assets:</u>						
Unrestricted	16,761,678	-	-	396,078	(396,078)	16,761,678
Temporarily restricted	6,052,127	-	-	-	-	6,052,127
Permanently restricted	1,959,685	-	-	-	-	1,959,685
Total Net Assets	<u>24,773,490</u>	<u>-</u>	<u>-</u>	<u>396,078</u>	<u>(396,078)</u>	<u>24,773,490</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 27,638,523</u>	<u>\$ 2,075,603</u>	<u>\$ 6,991,593</u>	<u>\$ 1,507,665</u>	<u>\$ (9,670,415)</u>	<u>\$ 28,542,969</u>

**JEWISH FAMILY SERVICE OF SAN DIEGO
SUPPLEMENTARY CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

	Jewish Family Service of San Diego	JFS Foundation, LLC	JFS Holdings, LLC	Charitable Auto Resources, Inc.	Eliminations	Consolidated
Unrestricted Net Assets:						
Support and Revenue:						
Grants and contracts	\$ 9,246,073	\$ -	\$ -	\$ -	\$ -	\$ 9,246,073
Contributions	3,818,995	-	-	-	(318,050)	3,500,945
Charitable auto resources fees	-	-	-	5,354,663	-	5,354,663
Program revenue	1,005,869	-	-	-	(145,184)	860,685
Fees and other revenue	170,008	-	-	27,898	-	197,906
Gain on sale of land, buildings and equipment	3,675	-	-	-	-	3,675
Investment income	1,220,605	-	-	28	-	1,220,633
Income from subsidiary	1,655,276	-	-	-	(1,655,276)	-
Management fees	-	-	-	4,170	(4,170)	-
Net assets released from restrictions	786,422	-	-	-	-	786,422
Total Support and Revenues	<u>17,906,923</u>	<u>-</u>	<u>-</u>	<u>5,386,759</u>	<u>(2,122,680)</u>	<u>21,171,002</u>
Expenses:						
Program Services:						
Jewish Family Service of San Diego	13,703,210	-	-	-	-	13,703,210
Charitable Auto Resources	-	-	-	2,644,789	(463,234)	2,181,555
Total Program Services	<u>13,703,210</u>	<u>-</u>	<u>-</u>	<u>2,644,789</u>	<u>(463,234)</u>	<u>15,884,765</u>
Supporting Services:						
General and administrative	1,137,429	-	-	-	-	1,137,429
Fundraising	974,378	-	-	-	(4,170)	970,208
Total Supporting Services	<u>2,111,807</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,170)</u>	<u>2,107,637</u>
Total Expenses	<u>15,815,017</u>	<u>-</u>	<u>-</u>	<u>2,644,789</u>	<u>(467,404)</u>	<u>17,992,402</u>
Change in Unrestricted Net Assets Before Income Taxes	2,091,906	-	-	2,741,970	(1,655,276)	3,178,600

(Continued)

JEWISH FAMILY SERVICE OF SAN DIEGO
SUPPLEMENTARY CONSOLIDATING SCHEDULE OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

	Jewish Family Service of San Diego	JFS Foundation, LLC	JFS Holdings, LLC	Charitable Auto Resources, Inc.	<u>Eliminations</u>	<u>Consolidated</u>
Provision for Income Taxes	\$ -	\$ -	\$ -	\$ 1,086,694	\$ -	\$ 1,086,694
Change in Unrestricted Net Assets	2,091,906	-	-	1,655,276	(1,655,276)	2,091,906
<u>Temporarily Restricted Net Assets:</u>						
Contributions	406,101	-	-	-	-	406,101
Investment income	565,829	-	-	-	-	565,829
Net assets released from restrictions	(737,477)	-	-	-	-	(737,477)
Change in Temporarily Restricted Net Assets	234,453	-	-	-	-	234,453
<u>Permanently Restricted Net Assets:</u>						
Contributions	-	-	-	-	-	-
Investment income	174,279	-	-	-	-	174,279
Distributions	(48,945)	-	-	-	-	(48,945)
Change in Permanently Restricted Net Assets	125,334	-	-	-	-	125,334
Change in Net Assets	2,451,693	-	-	1,655,276	(1,655,276)	2,451,693
Net Assets at Beginning of Year	22,321,797	-	-	230,802	(230,802)	22,321,797
Dividends	-	-	-	(1,490,000)	1,490,000	-
NET ASSETS AT END OF YEAR	\$ 24,773,490	\$ -	\$ -	\$ 396,078	\$ (396,078)	\$ 24,773,490